



## Kristina Keneally MP

Friday, 11<sup>th</sup> March 2011

11/3

Mr Tony Harris  
Acting Parliamentary Budget Officer  
NSW Parliament  
Macquarie Street  
SYDNEY NSW 2000

4.30pm

Dear Mr Harris

I am writing to you to formally request, under Part 4 (Election policy costings) of the Parliamentary Budget Officer Act 2010, an official costing for the following announced policy documents:

- *An Active NSW*
- *Better Public Transport*
- *Bringing tourism and major events to NSW*
- *Championing childhood- A better start for our kids*
- *Celebrating our volunteers*
- *Protecting Jobs*

These policy documents outline our ongoing commitments in key areas of government.

Please find attached a copy of these policies outlining the purpose of the policy and relevant details required to complete the costing as per the requirements of the Act.

Should you require any further information on this request, please contact my office on (02) 9228-5239.

Yours sincerely

**Kristina Keneally**  
Premier of NSW  
Leader of NSW Labor Party







# Protecting jobs

February 2011





## Protecting jobs

The \$400 billion NSW economy is the engine room of the Australian economy, accounting for a third of the nation's economic output.

NSW's AAA credit rating is the strongest indicator of the health of the State's economy – and sends a clear signal to business that our State is a secure place to invest.

The growth in our economy is clear – seven consecutive quarters of economic growth, the latest official data from the Australian Bureau of Statistics reports.

Victoria, Queensland and Western Australia cannot make this claim.

Indeed, this level of sustained economic growth in NSW did not occur during the period of the last Coalition government between 1988 and 1995.

With this strong economic growth comes strong job creation.

**In 2010 alone, more than 138,000 jobs were created in NSW.** This was 38 per cent of all jobs created in Australia.

Since March 2009, more than 182,000 jobs have been created in NSW.

The driver of this job creation is my Government's \$62.2 billion infrastructure building program over the next four years.

This program supports up to 155,000 jobs a year. It is the biggest infrastructure building program of any Australian Government.

To further support our job creating infrastructure commitments, NSW Labor will pursue economic policies that retain NSW's position as Australia's Smart State – investing in a diverse range of industries – from high-tech defence industries to cutting-edge creative industries to the digital economy.

There are nearly 680,000 small and medium sized businesses in NSW, representing 99.7 percent of all businesses.

They play a key role in the NSW economy, providing employment for more than two million people in NSW.

That is why the NSW Government supports the development and growth of the State's small businesses. We do this by providing a range of targeted programs designed to assist business to start, run and grow.

In 2010-11, we will invest \$23 million in programs to support NSW small and medium businesses.

My Government's number 1 priority is supporting jobs and building economic growth in NSW – we will achieve this through maintaining our commitment to a strong Budget surplus and strong economic growth.

**That is why we have set a jobs target of 155,000 jobs a year.**



*Kristina Lennox*

## What this policy means for NSW

A strong economy means more jobs – and financial security for NSW families.

The \$400 billion NSW economy makes up one third of the Australian economy and is the engine room of the nation's growth.

**Our record \$62.2 billion infrastructure building program is supporting 155,000 jobs a year.**

This is the biggest job-supporting building program of any Australian government.

In addition we are working hard to support our innovative and globally competitive economy by attracting new investment and creating and sustaining jobs which complement NSW's highly skilled workforce.

## ACTION:

### Securing AAA

- Protect NSW's AAA credit rating

### Keeping the Budget in Surplus

- Maintain strong State Budget surpluses
- Maintain and improve essential frontline services

### Supporting Jobs and Securing Economic Growth

- Maintain the biggest job-supporting infrastructure investment program in the country, with our \$62.2 billion infrastructure building program, supporting up to 155,000 jobs a year over the next four years
- Continue to secure major investments to NSW, creating jobs and economic growth through the roll-out of the NSW Government's \$110 million *Major Investment Attraction Scheme*

### Responsible Financial Management

- Maintain a responsible fiscal strategy
- Use periods of strong revenue growth to reduce debt and other financial liabilities, creating a shock absorber for tough times



### **Making NSW the Smart State**

- Maintain a record investment in the NSW Digital Economy at \$36 million over 3 years
- Grow on our position as Australia's largest ICT industry and take advantage of the transition to an information economy

### **Supporting Business Growth**

- Continue the Innovation Pathways Program
- Support NSW Businesses in marketing and commercialising new technologies
- Develop NSW as a hub for high-technology industries

### **Sydney – the Finance Capital of the Asia-Pacific**

- Continue delivering Barangaroo to cement Sydney's position as a financial services hub
- Promote Sydney as a global centre of excellence in the Asia-Pacific region for both financial and professional services
- Double NSW finance, insurance and professional services sector exports by 2020

### **Defence Jobs for NSW**

- Roll out the \$75 million investment to secure new projects in the State's defence industry
- Create more than 1,500 new jobs in Defence-related industries by 2013
- Secure 30 per cent of Australia's in-country defence spend by 2019

### **Securing Creative Industries**

- Maintain and invest in international and NSW local film and TV production, supporting local jobs
- Maintain NSW's position as the leading state for film and TV production

### **Boosting Export Business**

- Expand the NSW trade and investment offices to include other major markets such as the US, UK and Japan
- Maintain our \$4.2 million commitment to the NSW International Trade and Investment program



### **Supporting NSW Businesses**

- Maintain the lowest payroll tax rate in NSW in 20 years, saving NSW businesses \$4 billion in payroll tax in the six years to 2013-14
- Ensuring payroll tax cuts cover all businesses right across NSW and are permanent

### **Reducing the Cost of Doing Business**

- Ensure the abolition of mortgage duty on business transfers, transfer duty on non-real property transfers and unquoted marketable securities from 2012-13
- Ensure businesses will save \$1.1 billion by 2014-15 through the abolition of these taxes

### **Supporting the Housing Construction Sector**

- Ensure the Home Builder's Bonus Scheme is maintained in 2011-12, saving home owners \$70 million in 2011-12 and stimulating economic growth – this includes maintaining the stamp duty exemption for people aged over 65 who purchase a newly constructed home worth up to \$600,000
- Continue our generous support for first home buyers by maintaining the First Home Owner Grant and First Home Plus programs

### **Working with the Commonwealth to deliver jobs**

- Continue working cooperatively with the Commonwealth Government to deliver infrastructure projects that support jobs, including the Hunter Expressway, the Parramatta to Epping Rail Link, COAG Health Reform and the National Broadband Network

### **Abolishing Taxes**

- Maintain our commitment to abolish the Insurance Protection Tax, saving business \$69 million per year

### **Cutting Red Tape**

- Build on our successful red-tape reduction program – which is on track to save \$500 million for businesses and the community by June 2011
- Save businesses an additional \$500 million in reduced regulatory burden by June 2015



### **Supporting Regional NSW**

- Maintain our \$12 million investment for developing business in regional NSW.
- Build on the record 75,000 jobs created in regional NSW during 2010

### **Supporting Indigenous Employment**

- 2,229 public sector jobs for Aboriginal people.
- More than \$7 million for a joint State-Federal program to increase Aboriginal employment through Government procurement.
- Invest \$2.5 million to continue and expand the Sydney Metropolitan Development Authority's Aboriginal employment program which trains and supports Aboriginal people to get jobs in both the construction and hospitality industries.

### **Supporting People with a Disability**

- 6000 jobs for people with a disability
- \$23 million for training programs
- Payroll tax exemptions for businesses that employ people with a disability

### **Supporting Small and Medium Size Business**

- Maintain financial and non-financial support to nearly 680,000 small and medium sized businesses in NSW by providing targeted financial and non-financial assistance.

### **Supporting Businesses**

- Restore the balance of power in retail lease negotiations by supporting a fairer, transparent and more balanced approach to retail leasing arrangements in NSW.

### **Improving Trade and Freight Infrastructure**

- Increase our investment in rail and ports infrastructure to ensure that we match the demands of a booming industry.



## Labor and the economy

The strength of the NSW economy is clear – we have recorded seven consecutive quarters of economic growth, according to the official data from the Australian Bureau of Statistics.

The \$400 billion NSW economy is the engine room of the Australian economy.

Our state's Budget position is strong, with surpluses into the future.

Jobs growth in NSW has also been strong – more than 182,000 jobs created in this state since March 2009.

We have a AAA credit rating – demonstrating our strong and stable economic leadership.

The NSW economy is larger than the national economies of Thailand, Malaysia, Singapore, the Philippines and New Zealand.

The World Economic Forum ranks Australia as the number one global financial centre in Asia – in recognition of our performance, efficiency, stability and low-risk profile.

## Our Challenges

The NSW economy is the most diversified of all the state economies.

As the national economy recovers from the financial downturn and the resource-rich states of Western Australia and Queensland continue to boom, the challenge for NSW is to maximise our economic growth.

A broad economy with growth across all sectors allows NSW to take advantage of the nation's economic growth:

- By 2020, the NSW economy will be bigger, smarter, greener and more global;
- It will be characterised by high-skilled and high value-added industries;
- Our goal is for NSW to be internationally recognised for its innovation, productivity, knowledge intensity, and carbon efficiency.

By 2020, the NSW economy will have grown more than 30 per cent above the current levels. Our workforce will have grown from about 3.5 million to 3.9 million and our population will have reached about 8 million.

Policies we have already put in place will allow us to meet this growth: a strong Budget position with strong Budget surpluses, paying off state debt and maintaining a record \$62.2 billion infrastructure building program.

The main priority for NSW Labor is to keep delivering essential frontline services like police, teachers and nurses and frontline infrastructure like roads, hospitals and schools.



## Our Record

### LABOR

- Protected the AAA credit rating in the depths of the global financial crisis
- Cut payroll tax to its lowest rate in 20 years to boost job creation
- Cut stamp duty to zero to boost new home construction
- More than 138,000 jobs created in NSW in 2010
- Slashing red tape for business by \$500 million
- Strong Budget surpluses and paying off state debt
- \$110 million Major Investment Attraction Scheme to secure a range of investment projects bringing 2,600 jobs and over \$800 million in investment.
- \$75 million defence industry attraction package – including securing 400 jobs and \$180 million into the NSW economy through Quickstep defence manufacturer setting up at Bankstown Airport
- \$25 million film and TV production fund supporting local jobs
- \$36 million Digital Economy strategy, supporting high-tech IT jobs and state-of-the-art facilities like NICTA at Australian Technology Park
- In 2010-11, the Keneally Government allocated \$2.31 million toward Business Advisory Services.
- Last financial year the business advisory service provided 23,840 guidance services and contributed to the creation of 7,175 jobs.

### OPPOSITION

- Barry O'Farrell has promised to go on a debt binge, destroying the AAA credit rating
- Have made no guarantee to keep our payroll tax cuts
- Left a massive 7 per cent payroll tax rate in 1995
- Drive jobs and investment out of NSW by overturning Government contracts
- Coalition left a general government net debt of 7.5 % per cent in 1995 – NSW Labor has cut it to 2.7 per cent for 2011
- Voted against the \$42 billion job-supporting economic stimulus package
- Cut essential services to pay for their spending commitments last time they were in government

## Securing AAA

NSW's AAA credit rating is the most critical indicator of the health of the state's finances.

It is vital in attracting investment and jobs to NSW, and for the state's ongoing economic growth.

Our AAA credit rating and our strong balance sheet was a buffer which kept us out of recession, allowed us to borrow more to stimulate the state economy and which saw us withstand the worst of the global financial crisis.

The proof is in the economic results we are seeing right now: NSW has had seven consecutive quarters of growth in economic activity. The same cannot be said for Victoria, Queensland and Western Australia.

Government has a responsibility to ensure that the balance sheet is strong enough to withstand a future global shock while funding our record \$62.2 billion infrastructure building program – the biggest in the state's history and the biggest in the country, supporting up to 155,000 jobs a year.

The Coalition has promised to ignore this responsibility and instead go on a debt binge which will wreck the NSW economy and create additional burdens for NSW families.

**AAA is important because it minimises the amount of interest we have to pay on our borrowings – and instead allows the government to invest in frontline services like police, teachers and nurses.**

AAA is critical to NSW's future economic prosperity.

### **ACTION:**

- **Protect NSW's AAA credit rating**



## **Keeping the Budget in Surplus**

**NSW Labor will maintain strong State Budget surpluses and maintain and improve essential frontline services for the families of NSW.**

We will invest in what's important to NSW families – essential frontline services, new infrastructure and jobs.

NSW Labor will maintain our fiscal strategy and our record as responsible, and successful, economic managers.

### **ACTION:**

- **Maintain strong State Budget surpluses**
- **Maintain and improve essential frontline services**

## Supporting Jobs and Securing Economic Growth

NSW Labor will maintain the biggest job-supporting infrastructure investment program in the country.

**This is a \$62.2 billion infrastructure building program over the next four years, supporting up to 155,000 jobs a year.**

This financial year alone, this infrastructure investment includes:

- \$3.9 billion to upgrade, increase capacity and ensure a reliable electricity supply to NSW households, industry and businesses;
- \$2.8 billion for roads, including \$809.6 million on the Pacific Highway, \$345 for work on the Hume Highway and \$340 million for work on the Hunter Expressway;
- \$2.1 billion for rail projects, including \$303.9 million for work on the rail clearways program and \$278 million for construction of the South West Rail Link;
- \$2 billion is allocated for education and training, including information technology and new building projects; and
- \$921 million will enable medical staff to deliver effective health care including \$111.5 million allocated to continue the major redevelopment of Liverpool Hospital.

Supporting jobs lays the groundwork for the long-term growth of our economy.

### **ACTION:**

- Maintain the biggest job-supporting infrastructure program in the country, worth \$62.2 billion, and supporting up to 155,000 jobs a year over the next four years.
- Continue to secure major investments to NSW, creating jobs and economic growth.



## Securing Economic Growth

The *Major Investment Attraction Scheme* (MIAS) was established in 2009 in order to attract large investment projects to NSW that will create substantial numbers of jobs that would not otherwise come to the State.

This \$110 million program has helped to secure a range of investment projects bringing **2,600 jobs and over \$800 million in investment.**

Projects secured include Quickstep Technologies' new major defence manufacturing facility in Bankstown (400 jobs and \$15 million in investment), the Amcor redevelopment at Botany (138 jobs, 800 construction jobs and \$500 million in investment), establishing the Virgin Money headquarters (175 jobs) and Dimension Data's global service centre (300 jobs).

In 2010 MIAS has also been used to deliver on key industry development strategies namely the \$36 million Digital Economy Strategy and \$25 million in funds towards the \$75 million Defence Industry Strategy

### **ACTION:**

- Roll-out the NSW Government's \$110 million Major Investment Attraction Scheme

## **Responsible Financial Management**

NSW has a strong balance sheet because of NSW Labor's long-held responsible fiscal strategy.

We have used periods of strong revenue growth to reduce debt and other financial liabilities, creating a shock absorber for tough times.

That's why NSW was able to recover quickly and strongly from the financial downturn – and our economy goes from strength to strength, recording seven quarters of consecutive economic growth.

We will maintain our fiscal strategy and our record as responsible and successful economic managers.

### **ACTION:**

- Maintain a responsible fiscal strategy
- Use periods of strong revenue growth to reduce debt and other financial liabilities, creating a shock absorber for tough times



## Making NSW the Smart State

Our record **\$36 million** investment in the Digital Economy will support the Centre for Broadband Innovation in NSW, train professionals in ICT Skills, establish scholarships, and engage in collaborative programs with businesses in the sector. The NSW Government also secured hosting of the Digital Sydney Conference and will be a country partner at CeBIT.

The NSW Government has **invested \$45 million** in NICTA (Australia's ICT Research Centre of Excellence) at Australian Technology Park since 2002 and is now **investing a further \$9 million** as part of the State's strategy to build our digital economy and ensure NSW is at the cutting edge of ICT research and development.

The investment in ICT has produced other impressive results. NSW represents over **40% of national employment in the ICT Industry, employing almost 200,000** people in high value adding jobs. Additionally, NSW represents around 40% of national revenue in the ICT Industry, **generating approximately \$41 billion** in revenue from a national industry of \$98 billion.

The NSW Government's investment is expected to create an additional **67,500 direct**, highly skilled jobs in the sector and over **\$20 billion in direct industry revenue** by 2020.

### ACTION:

- Maintain a record investment in the NSW Digital Economy at \$36 million over 3 years
- Grow on our position as Australia's largest ICT industry and take advantage of the transition to an information economy

## Supporting Business Growth

The NSW Government supports local organisations seeking to commercialise innovative technologies through the Innovation Pathways Program. The Program has two main components, one focuses on developing skills and capabilities, through workshops and mentoring, to assist a company in commercialising their technology. The second component provides grants of up to \$25,000 to assist companies in capital raising and accelerating the commercial uptake of their technology.

The NSW Government provides businesses with a comprehensive innovation ecosystem to support the commercialisation of innovative technologies from research and development right through to full commercialisation in export markets.

The Innovation Pathways Program provides NSW researchers and entrepreneurs developing new technologies with the expertise and skills they require to launch their products to the world.

If re-elected the Keneally Government will continue the Innovation Pathways Program providing organisations with the capabilities they need to successfully develop a new generation of high tech products here in NSW.

### **ACTION:**

- Continue the Innovation Pathways Program
- Support NSW Businesses in marketing and commercialising new technologies
- Develop NSW as a hub for high-technology industries



## Sydney – the Finance Capital of the Asia-Pacific

Finance, insurance and other professional services is by far the largest sector of the NSW economy, contributing around **\$80 billion** every year. In fact, in 2008-09 NSW exported **\$3.7 billion** in finance and other professional services, **more than 6 per cent of total state exports**.

A re-elected Keneally Labor Government will cement Sydney's place as the financial services hub of the Asia-Pacific by delivering the \$6 billion Baranagoo development. Baranagoo is Australia's most significant urban renewal project. It will deliver 490,000 square meters of new space, with capacity for 23,000 workers.

The NSW Government has developed the NSW Financial Services strategy, which aims to build on NSW's reputation as a vibrant, well regulated centre for financial, insurance and other professional services, to significantly increase our footprint in the Asia-Pacific financial services sector, and to double our exports in the sector by 2020.

To assist with growing our financial services sector in NSW the Keneally Government has been working hard to support the development of an institute undertaking high value research and education in finance and related fields. A partnership with NSW Universities and/or the Federal Government will highlight NSW as the capital for financial and professional services in the Asia-Pacific region.

In September last year Sydney hosted the 2010 Forbes Global CEO Conference which was attended by 400 of the world's most influential business leaders. The Forbes Conference provided a terrific opportunity to highlight Sydney and NSW as the premier location for major investors looking to expand into the Asia Pacific region, and a number of investment leads have already emerged.

The NSW Government will continue to build on the strong foundations in the professional services sector, and will provide the educational and regulatory environment that will make NSW the global leader in financial and professional services.

## **ACTION:**

- Continue delivering Barangaroo to cement Sydney's position as a financial services hub
- Promote Sydney as a global centre of excellence in the Asia-Pacific region for both financial and professional services
- Double NSW finance, insurance and professional services sector exports by 2020



## Defence Jobs for NSW

The NSW Government will grow the State's defence industry. Defence not only plays a crucial role in the security of our nation, it also plays an important role in our economy. We are rolling out a strategy to help NSW companies win more defence contracts, and to build capability hubs to attract and service RAAF, Naval and other high technology defence projects.

**The NSW Defence Industry Strategy aims to win 30 per cent of the in-country defence expenditure within 10 years and support 1,500 new jobs in defence related industries within four years.**

In the last year alone the NSW Government secured a number of major defence projects for NSW, such as:

- Quickstep Technologies were assisted to setup an advanced composite manufacturing facility at Bankstown Airport to support a contract valued at more than half a billion dollars to supply aircraft components for the F-35 Joint Strike Fighter (JSF) defence project. This major new defence manufacturing facility in Western Sydney will create up to **400 new jobs and inject \$180 million into the NSW economy.**
- The NSW Government assisted BAE Systems Australia in winning a major 7-year contract to provide maintenance support for the **Navy's Seahawk helicopters in Nowra, supporting 130 jobs.** The project will support plans to grow the precinct as a centre of excellence for commercial activities attached to Nowra's rotary wing aviation and defence industries.

### **ACTION:**

- Roll out the \$75 million investment to secure new projects in the State's defence industry
- Create more than 1,500 new jobs in Defence-related industries by 2013
- Secure 30 per cent of Australia's in-country defence spend by 2019

## Securing Creative Industries

The NSW Government will support jobs and investment by generating activity in our screen and television industry, including film and television production, post-production, digital content and visual effects, as well as working hard to attract large budget international productions to NSW.

The Government will continue to position NSW as Australia's premiere location for international, large-scale continuous production and to ensure a continuous flow of international scale and local production to our State.

In addition, in the last nine months alone, NSW has secured **nine productions with total investment value of \$200 million, supporting 1,625 jobs** and many more extras.

Projects secured include:

- The Great Gatsby 3D – 825 jobs and \$120 million investment with The Great Gatsby to be filmed in Sydney later this year – secured ahead of New York;
- Walking with Dinosaurs 3D - A \$65 million 3D feature film based on the BBC series Walking with Dinosaurs. 3D animation and visual effects work will be led by Animal Logic, supporting 140 jobs with some location filming also taking place in NSW;
- Harry Potter and the Deathly Hallows Part 2 - Animal Logic's 3D conversion work on Harry Potter 7 will employ up to 75 people through to June 2011, including up to 50 computer generated imagery (CGI) specialists;
- Prometheus - the 3D film Prometheus will be directed and produced by Ridley Scott. Sydney company Fuel VFX will support visual effects work on the film, employing 44 visual effects specialists from January 2011 to March 2012;
- NSW incentives also recently helped to secure work for Fuel VFX on the two Marvel films - Thor and Captain America: The First Avenger. This work is supporting 35 jobs at Fuel VFX;
- The next instalment of the Underbelly television series – Razor (Underbelly IV) - is to be made in Sydney by Screentime. This new 13 part series will employ approximately 120 cast, 65 crew and 800 extras. Filming will start at the end of March 2011;



- Crownies - a 22 part legal TV drama series by the ABC will be filmed in Sydney and will employ approximately 200 cast, 125 crew and 1800 extras; and
- Home - Animal Logic will produce this ground breaking photoreal 3D animation and VFX for a theatrical short feature as a pilot for a large budget digital animation. The pilot will employ 40 people from January to August 2011.

## **ACTION:**

- Maintain and invest in international and NSW local film and TV production, supporting local jobs
- Maintain and strengthen NSW's position as the leading state for film and TV production

## Boosting Export Business

The NSW Government is taking the State forward into a new era of growth, building a stronger economy, and selling NSW to the world.

To do this the Government has an active engagement strategy with our most important trade and investment partners. Currently the Government has 4 International Trade and Investment offices, located in Shanghai, Guangzhou, Abu Dhabi and Mumbai. These NSW Government offices are our shopfront to the world, and through them we promote NSW as a global destination for trade and investment, tourism and education.

On top of this, The NSW Government International Trade and Investment offices provide expert advice for NSW based companies seeking to export their products and services to the largest markets in the world.

It is through the engagement made possible by these offices that we have signed an MOU with the Bright Foods Group to bring up to \$3 billion in new investment to NSW.

If re-elected the Keneally Government will expand the International Offices Program to include the US, UK and Japan, providing NSW companies more global trade and investment opportunities than ever before.

### **ACTION:**

- Expand the NSW trade and investment offices to include other major markets such as the US, UK and Japan
- Maintain our \$4.2 million commitment to the NSW International Trade and Investment program.



## Supporting NSW Businesses

NSW Labor is decreasing the tax burden for businesses. By building on our strong record of payroll tax cuts we will continue to ensure businesses in NSW are competitive.

Our payroll tax savings for NSW have already totalled more than \$4 billion in the six years to 2013-14. This was supported by our decision to provide not one but two cuts to payroll tax in the 2010-11 Budget. We will build on this strong record by ensuring that we maintain the lowest payroll rates in 20 years.

In addition, we will maintain an indexed payroll tax threshold, to ensure that businesses continue to benefit from the threshold over time.

We will continue to provide real benefits for businesses through our exemptions for maternity and adoption leave payments made in addition to an employee's normal salary, which have been in effect since 1 July 2007. And the continuation of our recent extension of the payroll tax exemption to paternity leave payments, providing for up to 14 weeks of paternity leave payments for each pregnancy, which came into effect 1 July 2010.

Keeping payroll tax at these record low rates is essential to ensuring that NSW remains a competitive state to do business in.

### **ACTION:**

- Maintain the lowest payroll tax rate in NSW in 20 years, saving NSW businesses \$4 billion in payroll tax in the six years to 2013-14.
- Ensuring payroll tax cuts cover all businesses right across NSW and are permanent.

## Reducing the Cost of Doing Business

We will abolish state taxes as required by the *Intergovernmental Agreement on Reform of Commonwealth-State Financial Relations (IGA)*.

We have already abolished 10 state taxes since 2005 and will see the removal of an additional four state taxes by 1 July 2012, one year ahead of the Commonwealth's deadline.

This will see savings totalling over \$1.1 billion from 2011-12 to 2014-15.

### **ACTION:**

- Ensure the abolition of mortgage duty on business transfers, transfer duty on non-real property transfers and unquoted marketable securities from 2012-13
- Savings totalling more than \$1.1 billion from 2011-12 to 2014-15



## Supporting the Housing Construction Sector

We will stimulate the economy and support home owners. Our Home Builder's Bonus Scheme was a major economic initiative announced in the 2010-11 Budget, which provides significant exemptions from stamp duty.

The features of our existing Home Builders Bonus Scheme are:

- New homes that are purchased off-the-plan and costing up to \$600,000 pay no stamp duty. This is a saving of up to \$22,490, for homes purchased pre-construction.
- Where construction has already started, the Home Builder's Bonus also provides a 25 per cent reduction in stamp duty. This is a saving of up to \$5,623.
- For people aged over-65 there is zero stamp duty where they sell an existing property and purchasing a newly constructed home worth up to \$600,000.

The results of the Home Builders Bonus include approvals of over 8,700 applications. These have resulted in real savings for families and investors of over \$84.8 million in stamp duty on property valued in excess of \$2.8 billion, since July 2010.

We will maintain this program in 2011-12 together with our generous program of benefits for first home buyers in NSW. Since the introduction of first home owner benefits in July 2000, more than 480,000 home buyers have received grants and stamp duty concessions worth more than \$7.3 billion.

### **ACTION:**

- Ensure the Home Builder's Bonus Scheme is maintained in 2011-12, saving home owners \$70 million in 2011-12 and stimulating economic growth
- Continue our generous support for first home buyers by maintaining the First Home Owner Grant and First Home Plus programs

## Working with the Commonwealth to deliver jobs

The Keneally Government recognises the opportunities for job creation that exist through that the delivery of Commonwealth funded infrastructure projects.

We have led Australia in the delivery of the Commonwealth's Nation Building and Jobs program. The swift delivery of the stimulus program – which includes the construction of more than 6,000 social housing homes and capital works in more than 1,800 schools – has contributed to protecting NSW jobs from the effects of the global financial crisis.

Our delivery of the Nation Building and Jobs program injected \$7 billion into the NSW economy and supported 23,000 jobs. Of these jobs, 10 per cent were made up of trainee and apprentice positions.

We continue to deliver major infrastructure projects in partnership with the Commonwealth, including:

- The \$1.7 billion Hunter Expressway, which supports up to 800 construction worker
- The \$3.6 billion upgrade of the Pacific Highway until mid-2014, which supports average of 2,100 direct and 6,500 indirect jobs every year

Unlike the NSW Coalition, we will deliver the Parramatta-Epping Rail Link in partnership with the Commonwealth. This project will support 5,200 jobs, which will be cut if the NSW Coalition forms Government.

We are delivering the historic COAG Health Reforms, which will support jobs by funding new hospital beds and medical equipment. The NSW Coalition refuse to commit to the COAG Health Reforms.

We have established the NSW National Broadband Network (NBN) Taskforce and passed legislation to ensure the rapid roll-out of the NBN - directly supporting telecommunications jobs and ensuring the benefits from high-speed broadband flow to NSW faster.

### **ACTION:**

- Continue working cooperatively with the Commonwealth Government to deliver infrastructure projects that support jobs, including the Hunter Expressway, the Parramatta to Epping Rail Link, COAG Health Reform and the National Broadband Network



## **Abolishing Taxes**

On 1 July 2011 we abolished the Insurance Protection Tax. This measure will save \$69 million each year and will flow through to insurance holders.

The tax was imposed on insurers from 2001 to fund the payment of claims and to repay any borrowings made following the Government's response to the collapse of the HIH group of insurance companies.

We guarantee this tax will not return.

### **ACTION:**

- Maintain our commitment to abolish the Insurance Protection Tax of \$69 million a year

## Cutting Red Tape

We have already substantially cut red tape and reduced regulatory burdens for business. This was evidenced in our target of reducing red tape in NSW by \$500 million by June 2011.

By June 2010 we had already made savings of \$400 million. The reforms that we have implemented mean we are well on track to achieving our goal and that we have the right framework in place to ensure we stay on track.

We are building on our successful program and will achieve savings for business of an additional \$500 million by June 2015. This is in recognition of the importance of reducing regulatory burdens for both businesses and the community.

### **ACTION:**

- Build on our successful red-tape reduction program – which is on track to save \$500 million for businesses and the community by June 2011
- Save businesses an additional \$500 million in reduced regulatory burden by June 2015



## Supporting Regional NSW

The NSW Government has a suite of **Business Assistance Funds** targeted to encourage business growth and generate new employment in Regional NSW. These funds aim to provide sustainable long term growth in regional communities by attracting more investment, and providing more jobs.

Financial assistance will be available to eligible businesses to offset costs impeding the establishment or expansion of operations, where new employment will result.

These funds have helped create jobs in Regional NSW and include:

- The Hunter Advantage Fund
- The Illawarra Advantage Fund
- The Western Sydney Business Employment Fund
- The Regional Business Employment Fund
- The Central Coast Business Employment Fund
- Regional Business Development Scheme

### **ACTION:**

- Maintain the \$12 million investment into developing business in regional NSW.
- Build on the record 75,000 jobs created in regional NSW during 2010

## Supporting Indigenous Employment

The Keneally Government is taking action to close the gap in employment outcomes for Aboriginal people.

Employment and economic opportunities are the cornerstone of social justice. That's why we have increased the number of public sector jobs in NSW designated for Aboriginal people and are embarking on a wide ranging program to leverage jobs for Aboriginal people through the Government spend on procurement.

### **ACTION:**

- 2,229 public sector jobs for Aboriginal people
- More than \$7 million for a joint State-Federal program to increase Aboriginal employment through Government procurement
- Allocated \$2.5 million to continue and expand the Sydney Metropolitan Development Authority's Aboriginal employment program which trains and supports Aboriginal people to get jobs in both the construction and hospitality industries



## Supporting People with a Disability

The unemployment rate among people with disabilities is more than nine per cent and one third of people with an intellectual disability are unemployed.

People with disabilities have similar aspirations and goals to the rest of the community, including being active in the workforce, and participating in social and community activities. That is why the NSW State Plan aims to create 6,000 new jobs for people with a disability.

The Keneally Government has already delivered more than 1,500 new jobs for people with disabilities through targeted skill based training programs for school leavers.

A re-elected Keneally Government will give payroll tax exemptions for employers of people with a disability. Under *Stronger Together*, we will also deliver an extra \$280 million to expand our successful Transition to Work and Community Participation programs.

### **ACTION:**

- 6,000 jobs for people with a disability
- \$23 million for training programs
- Payroll tax exemptions for businesses that employ people with a disability

## Supporting Small and Medium Size Business

The Government provides targeted financial and non-financial support to small businesses.

In terms of non-financial support, fourteen business advisory services, operating from 39 offices across NSW, deliver up-to-date business information to assist existing businesses to expand their operations or explore new business ideas. They provide assistance, seminars/workshops and networking opportunities for business owners and managers to plan future growth and development.

The Smallbiz website has proved to be popular with the business community. It is a useful resource for anyone wanting to start or grow their own business. As part of the 2010-11 Budget, a further \$106,000 was invested to upgrade the website, including the development of an online Innovation Assessment Tool that will identify and assess new ideas and help successfully bring them to market.

In terms of financial support, the Strategic Business Clusters Program provides funding to business clusters and networks that are seeking to achieve competitive advantage in local or international markets.

The NSW Government understands small business often has difficulties obtaining start-up capital. In conjunction with the National Australia Bank, our Micro-Enterprise Loan Scheme was expanded in 2010 from two to six regions. This is a scheme whereby small business owners that have few or no avenues to access affordable business credit can obtain unsecured business loans of up to \$20,000.

### **ACTION:**

- Maintain financial and non-financial support to nearly 680,000 small and medium sized businesses in NSW by providing targeted financial and non-financial assistance



## Supporting Businesses

Public consultation has been undertaken on amendments to the Retail Leases Act 1994 – aiming to provide a fairer, transparent and more balanced approach to retail leasing arrangements in NSW. The Bill represents an important move towards restoring the balance of power in negotiations between retail landlords and tenants, and if re-elected we will pass this legislation.

Key elements of the Retail Leases Amendment Bill 2011, include:

- Stronger requirements for landlord disclosure and a longer notice period for tenants.
- Mandatory registration of leases.
- Prohibiting landlords passing on land tax to tenants.

### **ACTION:**

- Restore the balance of power in retail lease negotiations by supporting a fairer, transparent and more balanced approach to retail leasing arrangements in NSW.

## Improving Trade and Freight Infrastructure

Labor will continue to increase our investment in rail and ports infrastructure to ensure that we match the demands of our growing industries.

Labor is moving towards a target of 40 per cent of freight into Port Botany by rail. Not only will this free up our roads, but it will allow the more efficient movement of freight.

The freight industry accounts for 11 per cent of the NSW State Domestic Product and about 174,000 jobs. As such we will work with the Federal Government to invest \$483 million in critical freight works around the State.

This includes the delivery of the Southern Sydney Freight Line, the Northern Sydney Freight Line, improvements to the Botany and Enfield Rail yards to support increased movement of containers from Port Botany by rail and the improvement of roads to support efficient freight movement.

Our ports are major economic assets, handling around \$80 billion worth of trade a year in NSW. Labor is committed to the continued public ownership of our ports. Public ownership is necessary to deliver the investment in these economic assets to grow our economy and increase trade, and we commit that a re-elected Keneally Government will continue public ownership of our ports.

Labor is investing in vital economic infrastructure across the ports in NSW. This includes the \$1 billion expansion of Port Botany, delivering a third container terminal, the expansion of Port Kembla to bring new trade and investment to the Illawarra, and securing an agreement with the coal industry which is seeing \$1.6 billion worth of private sector investment in two coal loader expansions.

Labor will improve the efficiency of our ports by removing bottlenecks. We are implementing reforms at Port Botany to reduce truck congestion by using financial incentives to encourage more efficient operations and we are implementing the Hunter Valley Coal Export Framework which will double coal export capacity over the next five years.



## **ACTION:**

- Improve the efficient movement of freight around NSW by targeting 40 percent of freight by rail into Port Botany
- Work with Federal government to deliver the Southern Sydney Freight Line and Northern Sydney Freight Line
- Support more freight being moved by rail by building new transport terminals in partnership with the Federal Government
- Continued public ownership of ports
- Improved efficiency to remove bottlenecks
- Investing in infrastructure to cater for future trade growth



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